weekly economic review

September 7, 2012

Labour Force

Unemployment rate at lowest level in almost four years

The unemployment rate fell to 4.4% in August as the labour force was unchanged and the province gained 3,900 jobs. This is the lowest unemployment rate since November 2008 and is tied with Saskatchewan for the lowest in Canada.

This month's job gain were in full-time, private sector positions, with forestry, fishing, mining, oil and gas (4,800) leading all industries in job growth. The province has added 43,300 jobs (3.1%) since August 2011.

Nationally, employment was up 34,300 in August, offsetting July's 30,400 loss. Quebec (32,500) and British Columbia (14,900) led all provinces in job gains, while Ontario (-24,900) posted the largest loss. Despite the job gains, the national unemployment rate remained at 7.3% in August.

Building Permits

Value of building permits declines

The total value of building permits, an indicator of future construction activity, fell 3.4% in July to $1.1 billion, its lowest level in five months. On a year-over-year basis, permits were up a mere 0.5%, as a 1.5% increase in residential permits was partly offset by 0.7% decrease in non-residential permits. Despite the monthly decrease and weak year-over-year growth, permits are up an impressive 14.4% through the first seven months of 2012 when compared to the same period last year.

Canadian Labour Productivity

Productivity slips

Labour productivity of Canadian businesses fell 0.4% in the second quarter, following three consecutive quarterly increases. Despite the quarterly decrease, Canadians were 1.0% more productive in the second quarter of 2012 than they were a year ago. The year-over-year growth was fairly broad based as 7 of 12 reporting industries posted an improvement.

Bank of Canada (BoC) Interest Rate Decision

BoC maintains policy rate

The overnight rate, which has remained unchanged since September 2010, was again held at 1.0% by the BoC. According to the Bank, although inflation remains below the 2.0% target rate, the Canadian economy is operating near its potential. The Bank expects inflation to return to the 2% target over the medium term.

International Economy

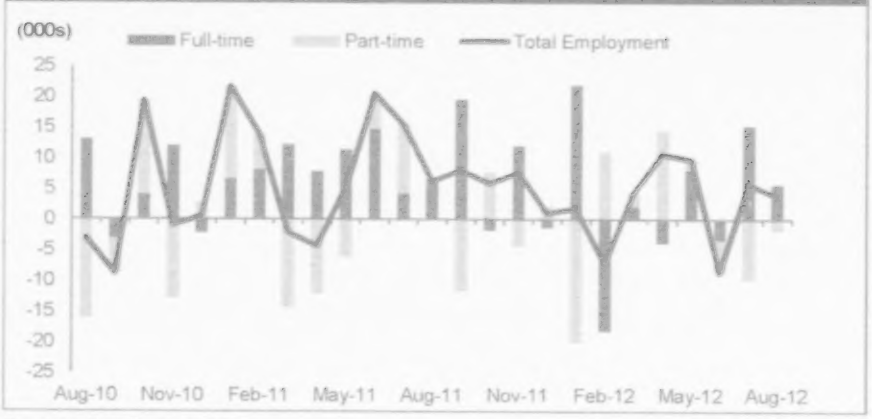
US job gain muted

The US economy added 96,000 jobs in August, falling short of the consensus forecast of a 125,000 gain. The US unemployment rate, which has stayed between 8.1% and 8.3% for all of 2012, edged down to 8.1%. Part of the decline in the unemployment rate can be attributed to discouraged workers leaving the labour force, as the participation rate declined to 63.5 per cent, the lowest level since September 1981. Employment increases in June and July were also revised down by a combined 41,000.

European Central Bank (ECB) announces bond buying program

Financial markets reacted positively to the largely anticipated new ECB plan to buy bonds of troubled Eurozone members. The "Outright Monetary Transactions" (OMTs) are potentially unlimited, assuming governments address structural and fiscal reforms prescribed by the European Financial Stability Facility/European Stability Mechanism (EFSF/ESM).

Alberta Employment Growth



Source: Statistics Canada

Closing Prices	August 30, 2012	September 6, 2012	2012–13 Fiscal YTD
Canadian Dollar (US$/$CAN)	100.15	101.58	99.37
WTI Oil ($US/bbl)	$94.82	$95.69	$90.54
NYMEX Natural Gas ($US/MMbtu)	$2.75	$2.78	$2.57

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Mar	Apr	May	Jun	Jul	Aug
Population[2] (000s)	3,721	3,770	3,847		3,847				
% change	1.3	1.6	2.0		2.4				
Net Interprovincial Migration[3] (level)	3,271	13,660	22,542		13,336				
Net International Migration[3] (level)	21,783	14,090	17,506		8,671				
Net Non-permanent Residents[3] (level)	-125	7,968	5,042		564				
Labour Market									
NEW: Employment (000s)	2,018	2,095	2,142	2,132	2,141	2,159	2,144	2,150	2,154
% change	0.4	3.8	3.1	3.1	3.3	3.1	3.2	2.7	2.7
NEW: Unemployment Rate (%)	6.5	5.5	4.8	5.1	4.9	4.5	4.6	4.6	4.4
NEW: Participation Rate (%)	72.8	73.7	73.7	73.9	73.9	73.7	73.8	73.9	73.9
Average Weekly Earnings ($)	993.28	1,038.69	1,068.30	1,054.99	1,054.84	1,055.06	1,090.66		
% change	4.6	4.6	2.9	3.1	2.7	3.2	4.1		
Price Indices									
Consumer Price Index	1.0	2.4	1.4	1.7	1.6	1.4	1.2	0.9	
Excluding food and energy	0.7	0.8	1.5	1.5	2.1	1.5	1.6	1.4	
Non-Res. Building Const. Price Index[4]	-0.1	3.4	4.3	4.5			4.1		
Farm Product Price Index	-1.5	17.2	4.7	2.0	1.8	4.4	4.7		
Crops	9.7	18.5	1.6	0.1	1.3	3.5	1.4		
Livestock	-5.7	17.2	7.2	6.7	1.9	4.7	7.2		
Household Sector									
Housing Starts (SAAR) (000s)	26.9	25.5	32.2	35.6	39.7	30.6	30.9	31.5	
% change	34.8	-5.2	46.2	70.1	73.6	33.8	43.6	37.5	
New Housing Price Index*	0.5	0.4	0.8	-0.8	1.2	1.0	1.2		
Edmonton	-0.8	0.9	0.9	0.8	1.3	1.1	0.8		
Calgary	1.8	0.1	0.8	0.8	0.9	0.8	1.7		
MLS Average Resale Prices ($ 000's)	359.9	362.7	369.2	364.6	362.5	365.5	360.1	362.8	
% change	3.1	0.5	1.7	2.5	1.3	1.9	2	3.1	
Edmonton ($ 000's)	326.5	324.2	332.3	331.3	331.3	330.7	332.2	331.6	
% change	2.3	-0.7	2.9	2.8	2.3	4.0	3.7	3.1	
Calgary ($ 000's)	397.4	401.9	405.6	407.8	409.0	413.3	410.2	410.7	
% change	-3.4	1.1	0.8	2.4	1.4	2.4	2.2	3.0	
Retail Sales	6.0	6.9	8.8	9.6	7.6	9.3	6.6		
New Motor Vehicle Sales	9.5	9.6	13.3	12.9	13	22.6	5.4		
Consumer Bankruptcies (level)	8,150	7,029	3,140	566	523	515	434		
% change	-18.4	-13.8	-17.4	-16.1	-16.7	-16.5	-25.4		
Business Sector									
Rig Drilling (level)	207	286	248	302	141	88	139	156	223
% change	61.2	37.9	4.2	7.5	14.4	4.5	5.3	17.5	40.9
Goods Exports (customs based)	12.6	18.5	9.2	9.0	17.0	1.6	11.1		
Energy	17.4	19.4	11.0	10.0	24.2	2.4	1.6		
Agriculture	-14.3	21.4	16.4	26.3	10.3	10.2	8.3		
Total Farm Cash Receipts (quarterly)	-3.7	16.3	28.3	28.3					
Manufacturing Shipments	11.3	18.0	10.6	12.2	8.4	7.4	5.8		
Wholesale Trade	8.5	15.0	15.5	14.0	19.5	18.9	10.0		
NEW: Building Permits	1.3	11.5	14.4	30.9	19.5	20.2	13.3	0.5	
Residential	22.4	5.2	18.6	21.9	2.6	27.0	14.6	1.5	
Non-residential	-18.3	20.9	9.6	64.6	169.5	13.2	11.5	-0.7	
Business Bankruptcies (level)	378	264	134	19	20	28	22		
% change	-6.7	-30.2	0.8	-26.9	-17.6	-27.3	-37.5		

YTD (year to date) generally represents the change since the beginning of the year compared to the same period in the previous year.

Unless otherwise indicated, all figures are year over year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

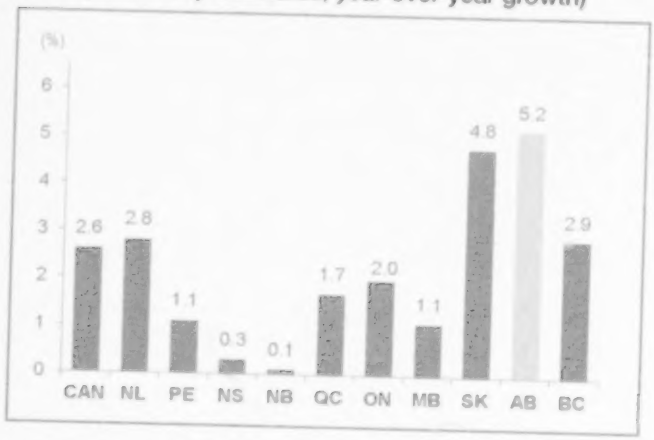
[3] Quarterly average of Calgary and Edmonton.

[4] Average of Calgary and Edmonton.

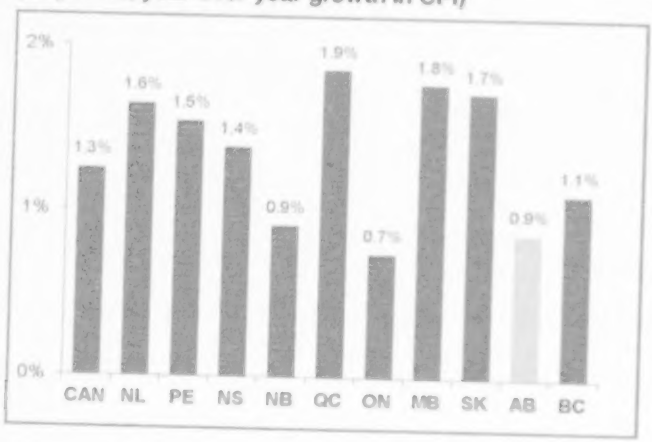
Sources: All data is from Statistics Canada except Housing Starts, Canada Mortgage and Housing Corporation; MLS Average Resale Prices (Canadian Real Estate Association); Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

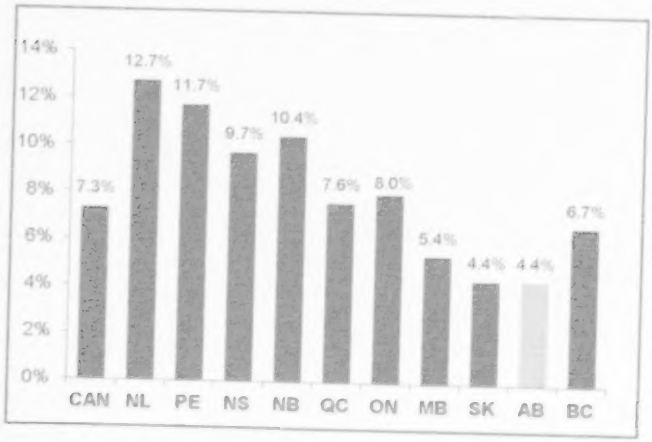
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



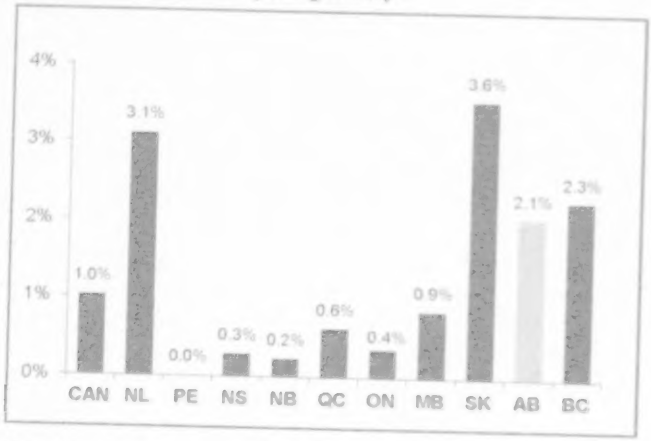
CPI Inflation
(July 2012, year-over-year growth in CPI)



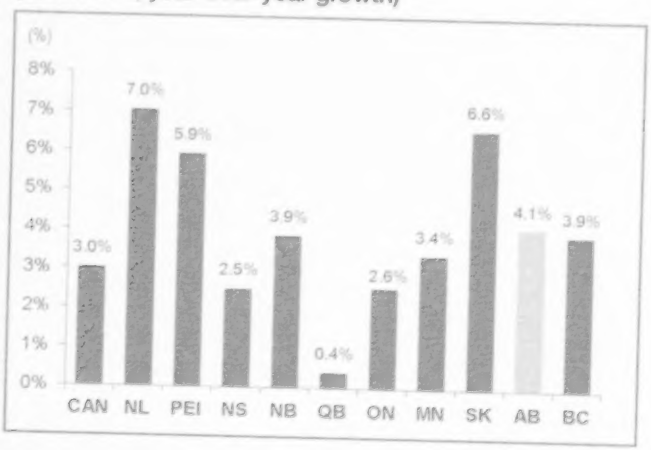
Unemployment Rate
(July 2012)



Employment
(July 2012, year-over-year growth)



Average Weekly Earnings
(June 2012, year-over-year growth)



Housing Starts
(July 2012, SAAR, year-over-year growth)